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FM AMEMBASSY RIYADH  
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Cable dated:2007-12-10T05:54:00C O N F I D E N T I A L SECTION 01 OF 03 RIYADH 002441SIPDISSIPDISDHAHRAN SENDS DEPT OF ENERGY PASS TO MWILLIAMS

1. (C) SUMMARY: On November 20, 2007, CG and Econoff met with Dr. Sadad al-Husseini, former Executive Vice President for Exploration and Production

SAUDI ARABIA WILL BE UNABLE TO MEET PRODUCTION GOALS -----

2. (C) Dr. Sadad al-Husseini met with CG and EconOff on November 20 to discuss current trends in the international energy market, as well as the

3. (C) According to al-Husseini, the crux of the issue is twofold. First, it is possible that Saudi reserves are not as bountiful as sometimes

4. (C) Al-Husseini disagrees with this analysis, as he believes that Aramco's reserves are overstated by as much as 300 billion bbls of "speculative

5. (C) Al-Husseini elaborated that oil field depletion rates also play a significant role in determining the Aramco - and

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global - production timeline. Increasing output is not simply a function of adding new capacity to already existing operations. Instead, due to

6. (C) The second issue that will limit any proposed Aramco output expansion can be broadly defined as a lack of supporting resources. For example

GLOBAL OIL PRICES: DEMAND HAS MET SUPPLY -----

7. (C) Considering the rapidly growing global demand for energy - led by China, India and internal growth in oil-exporting countries - and in

8. (C) COMMENT: While al-Husseini believes that Saudi officials overstate capabilities in the interest of spurring foreign investment, he is a

BIOGRAPHICAL DATA

9. (U) Dr. Sadad Ibrahim al-Husseini was born in Syria but raised in Saudi Arabia, his father a Saudi government official. He received a BS in

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Joining Aramco in 1972, al-Husseini quickly advanced, becoming Senior Vice President for Exploration and Production in 1986. He was given the title  
(APPROVED: KINCANNON) FRAKER